



# MICHIGAN EITC IN YOUR COUNTY: Washtenaw

Michigan League for Public Policy | January 2023

The Michigan Earned Income Tax Credit (EITC) is a tax credit for workers and families with low incomes to help them meet basic spending needs. Michigan’s current EITC—at just 6% of the federal credit—provides help to working families struggling to make ends meet by boosting after-tax incomes.

The EITC pulls Michigan families above the poverty line and reduces inequality. In tax year 2019, about 738,380 families statewide received an average credit of \$150, putting more than \$110 million back into the Michigan economy.

## COUNTY SNAPSHOT

In 2019, about 16,210 families in Washtenaw County (9.90%) benefited from the Michigan

Local Impact	Current (6% of the federal EITC)	If Restored (20% of the federal EITC)	If Expanded (30% of the federal EITC)
Average boost to a working family's income	\$127	\$424	\$636
Amount returned to local economy	\$2.06M	\$6.88M	\$10.31M

## EQUITY MATTERS

The EITC helps workers of all races, but it’s especially impactful for people of color, who are disproportionately represented in low-paying jobs due to past and present discrimination in the workplace and educational institutions.

The impacts of EITC span geographies across Michigan—rural, urban, and suburban. Take-up is highest in rural counties, where 16.5% of taxpayers claimed the credit compared to 15.5% in urban counties. Credits are typically higher in urban counties, which saw an average state EITC of \$154 compared to \$135 in rural counties.

## HOW IT WORKS

The EITC helps small businesses and boosts local economies by helping workers with low incomes pay for things that help keep them working, such as child care and transportation.

Children of EITC recipients are healthier, do better and go further in school, and earn more as adults.

## CALL TO ACTION

Policymakers are focused on boosting the EITC in 2023, and your voice will make a difference! House Bill 4002, sponsored by Rep. Nate Shannon, calls for restoration of the state EITC to 20% of the federal credit, and Senate Bill 3, sponsored by Sen. Kristen McDonald Rivet, calls for increasing the EITC to up to 30% of the federal credit.

Now is the time for transformational change, and boosting the credit to 30% is supported by the League and more than 230 of the leading health, social services, business and religious organizations around the state.